

**ORGANIZATIONAL EXAMINATION**

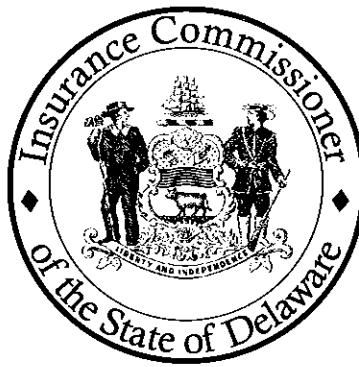
**OF**

**CLARIA LIFE & HEALTH INSURANCE COMPANY**

**AS OF**

**JUNE 27, 2008**

Matthew Denn  
Insurance Commissioner



Department of Insurance  
841 Silver Lake Blvd.  
Dover, DE 19904-2465  
(302) 674-7300  
(302) 739-5280 fax

**REPORT ON EXAMINATION**  
**OF THE**  
**CLARIA LIFE & HEALTH INSURANCE COMPANY**  
**AS OF**  
**June 27, 2008**

The above captioned Report was completed by examiners of the Delaware Insurance Department.

Consideration has duly been given to the comments, conclusions, and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted, and filed as an official record of this Department.

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MATTHEW DENN  
INSURANCE COMMISSIONER

DATED this 25th Day of November 2008.

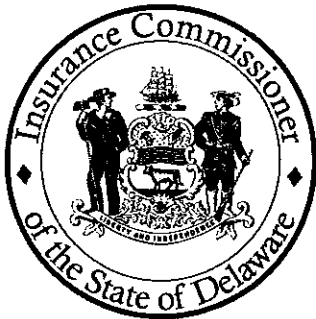
I, Matthew Denn, Insurance Commissioner of the State of Delaware, do hereby certify that the attached ORGANIZATIONAL REPORT ON EXAMINATION, made as of June 27, 2008 of the

**CLARIA LIFE & HEALTH INSURANCE COMPANY**

is a true and correct copy of the document filed with this Department.

ATTEST BY: Sonia C. Harris

DATE: 25<sup>TH</sup> November, 2008



In Witness Whereof, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THIS DEPARTMENT AT THE CITY OF DOVER, THIS 25TH DAY OF NOVEMBER, 2008.

Matthew Denn

Insurance Commissioner

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## **SALUTATION**

June 30, 2008

Honorable Matthew Denn  
Insurance Commissioner  
State of Delaware  
Department of Insurance  
841 Silver Lake Boulevard  
Dover, Delaware 19904

Dear Commissioner:

In accordance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 08.027, dated June 27, 2008, an organizational examination has been conducted of the

### **CLARIA LIFE & HEALTH INSURANCE COMPANY**

hereinafter referred to as "the Company", incorporated under the laws of the State of Delaware as a stock company with its statutory office located at 1807 North Market Street, Wilmington, Delaware. The registered agent at the Company's statutory office is Diane J. Bartels, Esquire. The examination was conducted at the Company's administrative office at 7491 Oakland Park Boulevard, 2<sup>nd</sup> Floor, Tamarac, Florida 33319.

The report of such examination is respectfully submitted herewith.

### **SCOPE OF EXAMINATION**

This organizational examination is conducted in conjunction with the Company's application for a domestic Certificate of Authority in the State of Delaware. We have reviewed the Company's corporate records and financial data as of June 27, 2008.

### **HISTORY**

The Company was incorporated on February 28, 2008, under the laws of the State of Delaware. The Company's Articles of Incorporation authorize the Company to issue up to ten thousand shares of common capital stock with a par value of \$350 per share. On June 23, 2008, the Company issued 1,000 shares of common capital stock to Claria Holdings, Inc., the Company's parent. Claria Holdings, Inc. contributed an additional \$650,000 of paid in contributed surplus.

### **MANAGEMENT AND CONTROL**

On March 3, 2008, the Board of Directors consented to the adoption of the bylaws, which state "The Company shall be managed by a Board of not less than four nor more than eighteen directors." The Articles of Incorporation named the following as directors until the next annual meeting of the stockholders.

Zohar Etz Chaim Druin  
Aviva Menaker Druin  
Kevin Knute Gabriel  
Graciela Leal Palenzuela

**Committees**

Pursuant to Article IV of the bylaws, the Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Company. As of the date of this examination, the Company's Board of Directors has not designated any committees.

**Officers**

Article V of the bylaws states "The officers of the Company shall be a Chairman of the Board and Chief Executive Officer, a Vice Chairman of the Board (if the Board so determines), a President, one or more Vice Presidents, a Secretary and a Treasurer. One person may hold two positions with the exception that the office of President and Secretary may not be held by the same person." On March 3, 2008, the following individuals were elected to the following positions as officers of the Company.

Zohar Etz Chaim Druin	President
Aviva Menaker Druin	Vice President and Assistant Secretary
Kevin Knute Gabriel	Treasurer
Graciela Leal Palenzuela	Secretary

The titles of those elected are not in compliance with Article V of the Company's bylaws.

Therefore,

**It is recommended that the Company take such steps as are necessary to ensure that the officer titles in Article V of the bylaws and the titles of those elected are in agreement.**

The NAIC Biographical Affidavits of the officers and directors of the Company were reviewed during this examination.

**HOLDING COMPANY SYSTEM**

The Company is a wholly owned subsidiary of Claria Holdings, Inc., a Delaware Corporation. Claria Holdings, Inc. was incorporated in the State of Delaware on February 14, 2008, and is wholly owned by Zohar Etz Chaim Druin, an individual. Claria Holdings, Inc. is affiliated through common ownership with Global Assurance Group, Inc. (Global), a reinsurance manager. Global was established in 1997, and works through a network of more than 500 agents in every major city in Latin America and the Caribbean.

**Administrative Services Agreement**

The Company has an administrative services agreement with its affiliate, Global, effective June 1, 2008. The agreement states that Global will provide the following services to the Company: premium billing and collection, commission payments, calculation and remittance of premium or override due to the Company, calculation and remittance of premiums or fees due reinsurers, underwriting of new certificates and change requests, calculation of reserves, policy administration and recordkeeping, and claims adjudication and payment. In turn, the Company agrees to pay Global a monthly administrative fee.

The agreement is in effect for a three year period and is automatically renewed for successive one year periods thereafter unless terminated by mutual agreement. The Company and Global each have the right to terminate the agreement for cause with ten days written notice.



## **PLAN OF OPERATION**

The Company plans to provide major medical international health coverage to residents of Latin America and the Caribbean both within their countries of residence as well as during periods of travel abroad.

Currently, Global, an affiliate, designs, markets, and administers international accident and health insurance in plans underwritten by Generali Worldwide and Lloyd's of London. Formation of the Company will permit the Group to write that business on a direct basis.

The Company plans to market international health insurance products including Medis International Health Plans, which are currently underwritten by Generali Worldwide. The dollar-denominated plans offer comprehensive long term major medical coverage to upper class international clientele. There are three plans providing a range of options from primary health plan coverage to supplemental or catastrophic coverage.

The Company has not yet developed advertising materials.

## **CAPITAL AND SURPLUS REQUIREMENTS**

The minimum capital and surplus amounts for a life and health insurance company required by 18 Del. C. §511 (a) are as follows.

Common Capital Stock	\$ 350,000
Free Surplus	<u>200,000</u>
Total Capital and Surplus	<u>\$550,000</u>

**CLARIA LIFE & HEALTH INSURANCE COMPANY**

**FINANCIAL DATA**

The financial position of Claria Life & Health Insurance Company as of June 27, 2008, as determined by this examination was as follows:

**Assets**

Cash	\$500,000
Savings	<u>500,000</u>
Total Admitted Assets	<u>\$1,000,000</u>

**Liabilities**

Total Liabilities	\$0
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**Capital and Surplus**

Common Capital Stock	\$350,000
Gross Paid In and Contributed Surplus	650,000
Unassigned Funds (Surplus)	<u>\$0</u>
Total	<u>\$1,000,000</u>

**SUMMARY OF RECOMMENDATIONS**

1. It is recommended that the Company take such steps as are necessary to ensure that the officer titles in Article V of the bylaws and the titles of those elected are in agreement. (Page 3)

**CONCLUSION**

Based on the organizational examination conducted as of June 27, 2008, the financial condition of Claria Life & Health Insurance Company was found to be as follows:

Assets	<u>\$1,000,000</u>
Liabilities	\$0
Common Capital Stock	\$ 350,000
Gross Paid In and Contributed Surplus	650,000
Unassigned Funds (Surplus)	<u>\$0</u>
Total Liabilities and Surplus as Regards Policyholders	<u>\$1,000,000</u>

Upon completion of the organizational examination, the Company has complied with the capitalization requirements for the State of Delaware. Pending compliance with the preceding recommendation, the Company will have licensing requirements to become a licensed insurer in the State of Delaware.

The examination was conducted by the undersigned.

Respectfully submitted,

A handwritten signature in black ink, reading "Patricia Casey Davis", followed by a vertical line.

Patricia Casey Davis, CFE, CPA  
Examiner-In-Charge  
Department of Insurance  
State of Delaware

**SUBSEQUENT EVENT**

On July 1 and July 2, 2008, by consent of the stockholder, certain officers were elected to additional positions as follows.

Zohar Etz Chaim Druin  
Aviva Menaker Druin

Chairman and Chief Operating Officer  
Vice Chairman

The actions taken by the Company satisfy the previous recommendation noted in the Organizational Report on Examination.